# GOVERNMENT OF INDIA
# RAILWAYS
# LOK SABHA

STARRED QUESTION NO:216
ANSWERED ON:09.03.2000
ECONOMIC VIABLLITY OF B.O.T
HARIBHAU MAHALE

**Will the Minister of RAILWAYS be pleased to state:**

(a) whether Indian Railways have launched Konkan Railway Corporation (K.R.C.) for the first time under B.O.T. Scheme;

(b) if so, the details of economic viability of this scheme after the completion of one year by Konkan Railway Corporation;

(c) whether as per the original scheme, 40 per cent of the freight of Konkan Railway was to be carried by the Konkan Railway route instead of grand trunk route;

(d) if so, the steps taken so far in this regard;

(e) whether freight transport capacity of the K.R.C. is under-utilised;

(f) whether the Konkan Railway Corporation is incurring heavy loss due to under utilisation of freight transport capacity;

(g) if so, the details thereof; and the reasons therefor; and

(h) the steps taken by the Government for the optimum utilisation of its capacity?

## Answer

MINISTER OF RAILWAYS ( KUMARI MAMATA BANERJEE )

(a) to (h) A statement is laid on the Table of the Sabha.

Statement referred to in reply to parts (a) to (h) of Starred Question No.216 by Shri Haribhau Shankar Mahale to be answered in Lok Sabha on 09.03.2000 regarding Economic Viability of B.O.T.

(a) Yes, Sir.

(b) The calculated Rate of Return based on traffic projection in the survey report was L 15.58%. However, in the first year of operation i.e. 1997-98, the KRCL incurred a loss - ofRs.153.64 crs.

(c) The RITES report on the traffic potential of the line had indicated that 40% of the freight. traffic expected to move on Konkan Railway during the first couple of years of operation was to be the diverted traffic from the Indlan Railways.

(d) The actual traffic which can be diverted depends on the total offering of traffic South route the capacity of the alternative Indian Railway section and the originating station etc. Owing to lesser offering of traffic so far, due to production centers, diversion of the projected level of traffic to Konkan Railway materialized.

(e) Yes, Sir.

(f) Yes, Sir. However, while Konkan Railway Corporation expenditure from earnings, due to high financing cost on market borrowings, there is an overall loss.

(g) The total loss to the Konkan Railway in the first year of operation has already been indicated in reply to para (b) above. In 1998-99 the total loss was Rs.340.3 crs

(h) New concepts in services like Ro-Ro (Roll-on, roll oft) for moving loaded trucks on rail and offering (itation to station rates, wherever possible, to attract traffic have been taken. Aggressive marketing strategy has been launched by contacting local industries on the Konkan Railway route for attracting more traffic on the system.